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POLAND:

Soviet and Polish leaders yesterday signed a trade protocol that permits Poland to run a trade deficit with the USSR of 1.2 billion rubles in 1982. The Pope still is considering a trip to Poland in August, but he and the Church have only limited influence on the martial law authorities. Moscow's initial public criticism of the talks on Tuesday between President Reagan and Chancellor Schmidt was predictable.

Moscow yesterday granted Poland soft currency credits to cover a 1.2-billion-ruble trade deficit this year as well as the 1.5-billion-ruble deficit from 1981. Earlier, the Soviets had threatened to force the Poles to balance their trade with the USSR. There was no mention in the trade protocol of hard currency credits.

The Pope's Visit

Vatican official Archbishop Poggi indicated [redacted] yesterday that Pope John Paul II is considering going ahead with his planned visit to Poland in August. His decision depends on how the population adapts to martial law. During his visit in late December, Poggi asked Foreign Minister Czyrek and Premier Jaruzelski for the installation of a communications line between the Pope and Archbishop Glemp.

The Pope would like to go "home" to be with his people to give them moral support. He also may hope that the prospect of his visit would encourage the government to tone down the harsher aspects of its rule. In this regard, Poggi noted that during his trip prison conditions improved, and he attributed this to the regime's respect for the Pope.

On the other hand, the Pope probably considers that such a visit might give an aspect of legitimacy to the martial law leaders. This factor would be decisive only in the case of an increase in repression.

There are risks for the authorities in allowing the visit, and they might decide to stall. Delay, however, would have negative repercussions on the population. The regime is aware that many Poles mark the Pope's visit in 1979 as the beginning of the social atmosphere that led to the strikes and creation of Solidarity in 1980.

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The government also realizes that it would not be able to control such a visit to its own advantage.

The Church's Influence

Despite their authority, Church leaders--including the Pope--have only a limited ability to affect policy decisions by the martial law regime. This is partly due to the Church's aversion to interfering in clearly political matters. Moreover, some government leaders accuse the Church of having been too pro-Solidarity and point out that some of union leader Walesa's advisers were closely associated with it.

The government is also well aware of--and it is exploiting--the fact that the Church will not encourage active opposition to martial law because of its basic interest in preventing bloodshed and a Soviet invasion.

In contradiction to government reports, a Church official yesterday scoffed at the idea that the Church and regime are currently conducting a dialogue. The churchman told [REDACTED] that the Church is not considering giving sanctuary to Walesa. The source left [REDACTED] the impression that the Church is preparing for a long contest with the martial law authorities.

The regime already has demonstrated that it is watching Church activities closely and is willing to use pressure to gain conformity. [REDACTED] the secret police have warned priests not to go too far in their sermons. The authorities also prevented a prison priest from visiting detainees after Archbishop Glemp had paid an unexpected visit to the prison.

Soviet Commentary

Although Moscow criticized the talks between President Reagan and Chancellor Schmidt, it was less critical of Schmidt than of Reagan. TASS attacked both leaders for attempting to "dictate to the Polish leadership" but noted that Schmidt "kept his own opinion" of the

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inefficacy of sanctions against the USSR. The commentary significantly failed to mention Schmidt's public agreement with the US position that the Soviets ultimately bear responsibility for events in Poland. [redacted]

An economic newspaper published an article yesterday that accuses the US of systematically manipulating its food aid to interfere in Poland's internal affairs. It alleges "unparalleled duplicity and hypocrisy" on the part of the US in using blockades, sanctions, and other forms of interference throughout the period following World War II. It fails, however, to mention the 1980 grain embargo against the USSR. Moreover, there is no reference to Moscow's own food aid policy, possibly reflecting domestic unpopularity of food aid to Poland.

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